2452.216-81 Level of effort and fee payment.

As prescribed in 2416.506-70(f), insert the following clause in all level-of-effort term contracts:

LEVEL OF EFFORT AND FEE PAYMENT (APR 2019)

(a) The total level of effort to be provided under this contract is _____hours. The Contractor shall be reimbursed for the actual labor costs incurred.

(b) The contractor shall be paid the fixed fee specified in B.____, Estimated Cost and Fixed Fee, herein, on a prorated basis in proportion to the percentage of the level of effort (LOE) performed at the time of billing in accordance with the following formula:

(Number of acceptable hours delivered) divided by (Total hours in level of effort) × (Total fixed fee) = Fee payment

(*e.g.,* 1,000 hours delivered/10,000 hours (LOE) × $15,000 = $1,500)

(c) In no event shall the amount of fee paid under the contract exceed the total fixed fee specified in B.[ ], Estimated Cost and Fixed Fee, herein.

(End of clause)

Parent topic: Subpart 2452.2 - Texts of Provisions and Clauses